

LAND MANAGEMENT PROGRAM

(BL-0017)

EXECUTIVE SUMMARY

Borrower:	Government of Belize	
Guarantor:	Government of Belize	
Executing agency:	Ministry of Natural Resources, Environment and Industry (MNREI)	
Amount and source:	IDB: (OC)	US\$7,000,000
	Local:	<u>US\$1,860,000</u>
	Total:	US\$8,860,000
Financial terms and conditions:	Amortization Period:	25 Years
	Disbursement Period:	4 Years ^{*/}
	Interest Rate:	Variable
	Supervision and Inspection:	1%
	Credit Fee:	0.75%
Objectives:	Currency	US\$ Single Currency Facility
	The goal of the program is to improve the enabling environment for private and public sector development through enhanced land security, effective land markets, and the promotion of a coherent land policy framework contributing to sustainable development and efficient use of land resources.	
	The program seeks to: (a) expand land adjudication and registration activities country-wide to become a systematic land tenure clarification program accompanied by consolidation into a single Land Registry; (b) improve the efficiency and sustainability of land administration services provided by the public sector; (c) build capacity for land use planning at the local, regional and national levels; and (d) support national land policy reform.	
Description:	The program will have four components: (a) national cadaster and property rights registration; (b) expansion of land administration services; (c) land use planning and development review; and (d) land policy reform and MNREI institutional strengthening.	
	1. National cadaster and property rights registration: to enhance land security in rural and urban areas, through the following: (a) land tenure clarification and property rights registration of an estimated 15,000 rural parcels (50% of rural parcels to be registered) in three districts and additional surveying and cadastral mapping of 5,000 parcels. The districts	

^{*/} 6 additional months for resources corresponding to final audit and evaluation.

will be selected on an annual basis according to eligibility criteria; (b) demonstrating a streamlined approach to surveying of 21,300 urban parcels in four urban areas including Belize City; and (c) supporting a two-tier public awareness and monitoring campaign tailored to Belize's multi-cultural context.

2. **Expansion of land administration services:** to improve the efficiency, reliability and accountability of land administration services provided by MNREI through the following: (a) integration and / or consolidation of 3,000 land registration records into a single Land Registry; (b) improving land valuation and taxation processes; (c) developing a national parcel-based land information system; and (d) strengthening of MNREI units providing land administration services.
3. **Land use planning and development review:** to improve public sector capacity to plan for, review and monitor land use changes, including development proposals, through: (a) development of a decentralized national land use planning framework; and (b) preparation of local land use plans and delineation of village boundaries.
4. **Land policy reform and MNREI strengthening:** (a) support for the National Land Advisory Committee; and (b) complementary institutional strengthening of MNREI to implement the reforms and monitor their impact.

Bank's country and sector strategy:

The proposed program is consistent with the Bank's country strategy in that it promotes land security and accountability in land management as necessary conditions for an enabling environment for private sector investment. The operation builds on experience gained from the execution of the Land Administration Project (1017/OC-BL) as well as the Environmental and Social Technical Assistance Project (999/OC-BL) previously financed by the Bank.

Environmental/ social review:

The program is expected to yield measurable environmental and social benefits in rural areas where secure property rights and improved access to credit associated with land tenure should result in improved production practices, more sustainable resource use and reduced encroachment pressures on forested areas and wetlands. Other benefits such as reduced conflicts are expected from increased participation of village and town residents in local land use planning. The program will not result in significant or foreseeable adverse environmental or social impact. Indicators have been identified with provisions made for data collection and analysis during project execution.

Benefits: Execution of the program is expected to result in secure land tenure for an estimated 20,500 residents in rural and urban areas, increased efficiency of land transactions, enhanced capacity for land use planning including making development decisions that reduce vulnerability to natural disasters. In addition, the program will contribute benefits in terms of increased property tax revenues for central and local government.

Risks: **With respect to lands in rural Toledo subject to traditional forms of tenure:** The legal foundation and accompanying regulatory and technical guidelines do not exist in Belize for identifying or registering a common ownership of land subject to traditional forms of tenure. A petition has been filed with the OAS Inter-American Commission on Human Rights (para. 1.17). The Government of Belize and Maya leaders have signed an agreement that sets out a time line for addressing land needs within the Maya traditional land use areas in Toledo District. This is a complex issue with ramifications that fall outside the scope of the program and the Loan Contract will include specific conditionality to ensure that the program's activities do not interfere with the dialogue process underway. In addition, the process will be monitored and supported through public awareness and training activities included in this as well as other Bank-financed operations. Although the project would be viable and would achieve its development impact even if activities were not to be undertaken in rural Toledo, a risk exists that the program's ability to finance activities in rural Toledo district could be delayed or severely limited (para. 4.33).

Conflicts over national land policy: Land allocation and development decisions of the past have been steeped in controversy. Policy reforms are likely to be gradual, requiring open debate, education and consultation which the program will support through the activities of the National Land Advisory Committee.

Border discussions: The Governments of Belize and Guatemala are engaged in a formal discussion process regarding their contiguous borders with oversight from the Organization of American States (OAS). A 1-km adjacency zone has been agreed to, which will be in effect until August 2001. A risk exists that activities financed by the program could be delayed within this zone. Year 1 activities have been selected in areas not subject to the discussion process, thus mitigating this risk in the short-term. The situation will be monitored during the course of the program and taken into consideration in the selection of areas to be declared for land tenure clarification in each annual work plan. The project would still be viable if activities were postponed within the zone under discussion.

Special contractual conditions:

Conditions precedent to first disbursement

- (a) Establishment of the Program Management Unit (PMU) within MNREI and selection of the Program Manager (para. 3.2).
- (b) Creation of the Program Coordinating Committee and appointment of all of its members (para. 3.3).
- (c) Approval of the Program Operating Regulations (para. 3.10).

Conditions for Program execution

- (a) The MNREI shall enter into the inter-institutional coordination agreements referred to in paragraphs 2.41 and 2.15.
- (b) Prior to the commitment of resources or initiation of activities for or in rural lands in the Toledo District under either Sub-components 1(a) (Cadaster, tenure clarification and registration of rural parcels) or 3(b) (in respect to village boundaries), the Government shall present evidence that the special eligibility criteria specified in paragraph 2.11 have been fulfilled.
- (c) MNREI will present to the Bank the work plans, reports and evaluations and collect the statistical data described in paragraphs 3.21 to 3.24 of this document, and will disseminate to the public the results of Program execution on an annual basis.
- (d) Any resettlement that may be needed for the execution of the Program will be conducted in accordance with procedures and requirements mutually agreed upon between MNREI and the Bank, which shall be consistent with the applicable operational policies of the Bank (para. 4.28).

Poverty-targeting and social sector classification:

None

Exceptions to Bank policy:

None

Procurement:

The limits over which international competitive bidding will be required for procurement in this project are: US\$200,000 for consulting services and goods, and US\$1 million for works.

Retroactive financing:

It is proposed that the Bank authorize retroactive financing with resources of the loan and retroactive recognition of counterpart expenses of up to the equivalent of US\$150,000 and US\$100,000, respectively, subject to compliance with applicable Bank procedures.

